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C O N F I D E N T I A L SEOUL 001929

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TAGS: [PGOV](#) [PREL](#) [ECON](#) [ETRD](#) [PINR](#) [KN](#) [KS](#)  
SUBJECT: A VIEW FROM BUSAN HARBOR ON "UNOFFICIAL"  
NORTH-SOUTH TRADE

Classified By: POL M/C James L. Wayman. Reasons: 1.4 (b/d).

#### Summary

1. (C) A Busan-based freight company executive recently told us that the Dan Gyol Bong, a DPRK cargo ship, docks in Busan 2-4 times a month to offload seafood, agricultural products and clothing and take on fabrics, processed foods and used cars -- which usually get sold in China and Russia. Our interlocutor told us that the ROKG is fully aware of what the Dan Gyol Bong is doing and monitors the ship's activities closely. End summary.

#### Seafood Off, Cars On

2. (SBU) Kukbo Freight Company CEO Park Dong-sol recently provided APP Busan with some insight into the small-scale international trading that helps provide cash to provincial North Korean governments, especially those in the northeast. Park related that the Dan Gyol Bong, a DPRK cargo ship, docks at Busan's Gamcheon harbor 2-4 times a month to offload seafood, agricultural products and clothing. The ship's home is Najin, a city in the northeast corner of North Korea, close to the borders with China and Russia. After unloading its cargo, the Dan Gyol Bong usually loads up with recyclable vinyl plastic, fabrics, processed foods and used cars; the majority of the cargo it carries back to the North is sold in China and Russia. According to Park, this kind of business, though small-scale, has fat profit margins.

#### North-South Interaction

3. (C) Park told us that the ROKG is fully aware of what the Dan Gyol Bong is doing. The ROK Coast Guard meets the ship once it crosses over into ROK waters off the east coast and escorts it to Busan. Once docked, Customs, Immigration, and Quarantine officers, local police, the Coast Guard and the NIS all observe the offloading and loading operations. Park added that the North Korean crewmen are not allowed to interact with the South Korean dock workers; the DPRK sailors "simply walk away" if anyone tries to engage them in conversation. In addition, the Dan Gyol Bong docks, unloads and reloads all in one day. If it arrives before the dock is open, it will stay out at sea until it can enter the port during business hours rather than overnighing in a South Korean harbor.  
STEPHENS